

BondBuyer – Municipal short-end rally grinds on

Excerpt from...

Municipal short-end rally grinds on

By Lynne Funk, Christine Albano, Chip Barnett – The Bond Buyer
May 19, 2020



The municipal market continued its short-end rally Tuesday with yields falling by as much as seven basis points, amid a well-functioning new-issue market that saw deals re-priced to lower yields.

Amid an otherwise quiet tone that was characterized by some firmness and strong demand for a large Connecticut pricing and a steepening yield curve, there was support for the front end of the municipal market, according to traders.

The front of the municipal yield curve is “astounding” and traders said dealers are uncharacteristically accepting the levels, likely due to the historically attractive ratios, he noted.

Others acknowledged the positive tone and demand in the secondary market.

John Mousseau, president and director of fixed income at Cumberland Advisors said he is seeing strong secondary demand even amid the credit pandemic-impacted market.

“The follow through that the markets have seen on MTA from two

weeks ago and Illinois from last week is testimony to the access to the capital markets that exists even for troubled credits," Mousseau said Tuesday.

The Northeast trader said demand is decent in the secondary, but with some muted activity.

He cited a block of Illinois general obligation bonds, which priced in the primary market last week, whose yields firmed by 40 to 50 basis points from where the original pricing. A Chicago trader said Illinois paper saw some flow and it wasn't "too shabby."

Read the full article with subscription (paywall) at [The Bond Buyer website](#).

Links to other websites or electronic media controlled or offered by Third-Parties (non-affiliates of Cumberland Advisors) are provided only as a reference and courtesy to our users. Cumberland Advisors has no control over such websites, does not recommend or endorse any opinions, ideas, products, information, or content of such sites, and makes no warranties as to the accuracy, completeness, reliability or suitability of their content. Cumberland Advisors hereby disclaims liability for any information, materials, products or services posted or offered at any of the Third-Party websites. The Third-Party may have a privacy and/or security policy different from that of Cumberland Advisors. Therefore, please refer to the specific privacy and security policies of the Third-Party when accessing their websites.

Sign up for our [FREE Cumberland Market Commentaries](#)

Cumberland Advisors Market Commentaries offer insights and analysis on upcoming, important economic issues that potentially impact global financial markets. Our team shares their thinking on global economic developments, market news

and other factors that often influence investment opportunities and strategies.